

Senate Judiciary Committee Amendment No. 2 (by Jackson)

Amendment No. 3 to SB0660

**Person
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Date _____

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Comm. Amdt. _____

AMEND Senate Bill No. 660

House Bill No. 333*

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 29-20-403, is amended by deleting the final sentence of subsection (b)(2)(A) and substituting instead the following:

The provisions of this subdivision apply to any action arising on or after July 1, 1987 but before July 1, 2002; and

SECTION 2. Tennessee Code Annotated, Section 29-20-403, is further amended by adding the following new subsection (b)(3):

(3) Minimum limits of not less than two hundred fifty thousand dollars (\$250,000) for bodily injury or death of any one (1) person in any one (1) accident, occurrence or act, and not less than six hundred thousand dollars (\$600,000) for bodily injury or death of all persons in any one (1) accident, occurrence or act, and eighty-five thousand dollars (\$85,000) for injury or destruction of property of others in any one (1) accident, occurrence or act. The provisions of this subsection shall apply to any action arising on or after July 1, 2002.

SECTION 3.

(a) There is created a commission to design, develop and implement a Catastrophic Injuries Fund for the purpose of compensating certain specified persons in an amount in excess of the governmental tort liability limits for injuries or death caused by the actions of an employee of a governmental entity. Such Commission shall consist of the following members:

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(1) Three (3) members who represent the interests of persons injured by the actions of employees of governmental entities to be appointed jointly by the speaker of the senate and the speaker of the house of representatives;

(2) Three (3) members who represent the interests of governmental entities to be appointed jointly by the speaker of the senate and the speaker of the house of representatives;

(3) The comptroller of the treasury or the comptroller's designee;

(4) The state treasurer or the treasurer's designee; and

(5) The chair of the senate and house of representatives state chair's designees, who shall be ex officio non voting members of the commission.

(b) The Catastrophic Injuries Fund Commission shall design, develop and propose legislation to enact and implement such fund by July 1, 2006.

SECTION 4.

(a) If the Catastrophic Injuries Fund is not implemented and in effect by July 1, 2006, the provisions of this section shall become effective.

(b) By March 1, 2007, the state treasurer shall calculate the percent of change in the average consumer price index (all items-city average) as published by the United States department of labor, bureau of labor statistics and the average medical price index between those figures for calendar year 2006 and calendar year 2005. Upon arriving at the average percentage of change for both

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such indices, the treasurer shall add these two numbers and divide the sum by two.

(c) The number arrived at by performing the calculation set out in subsection (b) of this section shall be the annual adjustment factor and shall constitute the percentage by which the governmental tort liability limits set out in § 29-20-403(b)(3) shall be increased or decreased for any cause of action arising on or after July 1, 2007.

(d) Upon determining the adjustment factor, the treasurer shall, by April 1, 2007, publicly announce the percentage by which the governmental tort liability limits set out in § 29-20-403(b)(3) will be increased or decreased and that such increases or decreases will be in effect for any cause of action arising on or after July 1, 2007.

(e) Each succeeding March 1 that a Catastrophic Injuries Fund is not implemented and in effect, the treasurer shall calculate a similar adjustment factor, based upon the percentage of change in the average consumer price index and the average medical price index between the two (2) successive calendar years preceding March 1 of the year in which the adjustment is made. On the July 1 next following the March 1 on which the adjustment factor is calculated, the governmental tort liability limits set out in § 29-20-403(b)(3), as adjusted, shall be further adjusted by the percentage required by the annual adjustment factor and such adjusted limits shall be in effect for all causes of actions arising on or after July 1 of that year.

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(f) Any additional governmental tort liability adjustments required pursuant to the provisions of subsection (e) and the effective date of such adjustments shall be publicly announced on April 1 of that year in the same manner provided in subsection (d) for the initial adjustment.

(g) Notwithstanding the adjustment factor calculation for any given year, the governmental tort liability limits set out in § 29-20-403(b)(3) shall not be increased by more than seven and one-half percent (7.5%) for any one year.

(h) If at any time a Catastrophic Injuries Fund is implemented and becomes effective, the provisions of this section shall no longer be effective, no more annual adjustment factor calculations shall be made and the governmental tort liability limits set out in § 29-20-403(b)(3) shall remain at the limits in place on the date the Catastrophic Injuries Fund is implemented and becomes effective.

SECTION 5. For the purposes of appointing the members of the Catastrophic Injuries Fund Commission, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect on July 1, 2001, the public welfare requiring it.